



AFGHANISTAN TRADE AND REVENUE (ATAR) PROJECT

Quarterly Report for November-December 2013



Kabul-based ATAR, launched in November, will have a presence on Afghanistan's border and in Central Asia. In addition to improving Central Asian trade relations, ATAR will reintegrate Afghanistan into the global economy, boost Afghanistan's access to Pakistan and India, and increase trade revenue for the Afghan government.

January 2014

This publication was produced for review by the United States Agency for International Development. It was prepared by Chemonics International.

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Quarterly Report for November-December 2013

Contract No. ID-OAA-I-12-00035
Order No. AID-306-TO-13-00009

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The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

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ACRONYMS

ACD	Afghanistan Customs Department
ANSA	Afghan National Standards Authority
ARD	Afghanistan Revenue Department
ASYCUDA	Automated System of Customs Data
ATAR	Afghanistan Trade and Revenue project
CAR	Central Asian Republics
CAREC	Central Asia Regional Economic Cooperation
CBTA	Cross Border Transport of Persons, Vehicles, and Goods Agreement
CSO	Central Statistics Office
DFID	Department for International Development
EGGI	Economic Growth and Governance Initiative
EPAA	Export Promotion Agency of Afghanistan
GDP	Gross Domestic Product
GIROA	Government of the Islamic Republic of Afghanistan
GSP	Generalized System of Preferences
IPPC	International Plant Protection Convention
LTO	Large Taxpayer Office
MAIL	Ministry of Agriculture, Irrigation, and Livestock
MFN	Most Favored Nation
MOCI	Ministry of Commerce and Industries
MOF	Ministry of Finance
MOFA	Ministry of Foreign Affairs
MOI	Ministry of Interior
MOIC	Ministry of Information and Culture
MOJ	Ministry of Justice
MOPH	Ministry of Public Health
TAFa	Trade Accession and Facilitation for Afghanistan I and II projects
TAP	Tax Administration Program
TARVAL	Tariff and Valuation Management Tool
TBD	To Be Determined
TPAU	Trade Policy Analysis Unit
UNOPS	United Nations Office for Project Services
USAID	United States Agency for International Development
VAT	Value Added Tax
WTO	World Trade Organization

INTRODUCTION

I. Overview

USAID designed the Afghanistan Trade and Revenue (ATAR) project so Afghanistan could realize its full potential in the global trading market. ATAR will provide assistance to strengthen the business climate of Afghanistan to enable private investment, enhanced trade, job creation, and fiscal sustainability through this critical transition period.

The project builds upon a number of trade activities begun under USAID's Trade Accession and Facilitation for Afghanistan projects (TAFA and TAFA II, 2009 to 2013); USAID's Economic Growth and Governance Initiative (EGGI, 2009 to 2013); and the Department for International Development's (DFID) Tax Administration Program (TAP, 2012 to 2015).

ATAR is tasked with:

1. Improving the capacity of the Government of the Islamic Republic of Afghanistan (GIROA) to create and implement a liberal policy framework for trade and investment in accordance with international standards;
2. Enhancing integration in the regional and world economy through the promotion of trade and agreements, enhanced governance of corridors, and private-sector linkages throughout South and Central Asia;
3. Strengthening revenue generation for fiscal sustainability and trade facilitation through reforms and anti-corruption measures in customs and taxation.

These objectives will be achieved through three ATAR components:

Component 1: Support Trade Policy Liberalization

Component 1 will promote liberalization of Afghanistan's trade regime by supporting its accession to the World Trade Organization (WTO). This support will be accomplished by building the necessary capacity and providing technical assistance within the implementing institutions to conduct negotiations, draft legislation, and institute reforms required to improve the trade regime within the region and meet WTO requirements. The policies, laws, and regulations will attract investment and enable the private sector to grow and prosper.

Component 2: Facilitate Enhanced Access to Regional Markets

Under Component 2, ATAR will (1) facilitate the development and implementation of regional trade agreements; (2) assist GIROA to support measures needed to implement regional trade agreements; and (3) support the implementation of the Central Asia Regional Economic Cooperation (CAREC) Corridors 5 and 6 by working with countries such as Uzbekistan, Tajikistan, the Kyrgyz Republic, and Turkmenistan. Additionally, this component may support USAID's regional economic zone (REZ) strategy.

Component 3: Improved Customs Administration

Component 3 will (1) enhance capacity of the Afghanistan Revenue Department (ARD) to generate revenue through implementation of value added tax (VAT), in combination with outreach and

enforcement; (2) improve customs procedures to increase transparency, efficiency, and uniformity in the collection of revenue, performance of core functions, and facilitation of trade. Component 3 will build GIROA's capacity to generate revenue, through both tax and customs, to facilitate sustainable economic growth and trade and reduce GIROA dependence on donor funding.

2. Start-Up Activities

This quarterly report covers the period from the award of the ATAR contract in early November through the end of December. On November 9, Chemonics submitted applications to the Ministry of Foreign Affairs (MOFA), which provides MOFA numbers required for expatriates to submit applications for visas. The ATAR chief of party mobilized immediately upon execution of the prime contract and arrived in Kabul on November 12. The trade advisor overseeing Components 1 and 2 engaged immediately with USAID. Visas for all other expatriates were delayed due to both the Ashura holidays and the Loya Jirga. In November, Chemonics mobilized a two-person team from its Washington, D.C., headquarters to oversee initial startup activities. Priority activities included transferring office and residential space located at the Baron Hotel from teams who had leased it during the months following the end of TAFE II to ATAR.

The start-up team also hired initial Afghan operations staff and oriented them to proceed after departure of the startup team, submitting approval requests to dispose equipment from TAFE II to ATAR, opening bank accounts, setting up filing systems, preparing templates and guidelines for incoming staff, procuring office supplies, and submitting visa and work permit applications for expatriates, many of whom arrived in Kabul in December.

On November 23, USAID hosted an initial post-award meeting with USAID's mission director, deputy mission director, representatives of the Office of Acquisition and Assistance, the USAID trade team, and ATAR technical team leaders to review the prime contract and discuss rules and expectations.



The ATAR start-up team and initial project staff began ATAR start-up activities in November.

In November, ATAR finalized employment agreements with 22 Afghan professional and support staff. These staff had been included in the proposal-phase budget and were considered essential to launch priority activities. Among the initial group of hired staff were the deputy chiefs of party of technical programs and of finance and administration, a small legal team to carry forward on reforms sustained after TAFI II ended and now positioned within ATAR's trade policy liberalization component, and the directors of human resources, finance, and logistics. Upon departure of the expatriate startup team who worked in Kabul for approximately two weeks, these Afghan staff members assumed leadership for project administrative and technical startup. In December, ATAR hired an additional 10 staff members, bringing the total to 33 local employees by the end of the quarter.

While the expatriates waited for visas, the chief of party and trade advisor worked with them remotely to develop a draft annual work plan, incorporating key points from both the prime contract, the technical proposal submitted by Chemonics to USAID in July, and knowledge of stakeholders' needs. This preparatory work positioned the team to engage immediately upon arrival in Afghanistan in stakeholder consultations. The team continued throughout December on the work plan upon their arrival in Afghanistan. By the end of December, ATAR had 12 short- and long-term expatriate staff members in Kabul, two of which were based in Central Asia.

COMPONENT 1: SUPPORT TRADE POLICY LIBERALIZATION

Rapid mobilization of the Afghan legal team and the expatriate trade advisor in November facilitated continuity of work during the reporting period in key technical areas under ATAR's Component 1.

I. WTO Accession Process

Advancing Bilateral Negotiations

ATAR supported the Ministry of Commerce and Industries (MOCI) during the reporting period in advancing work on Afghanistan's bilateral WTO negotiations with the United States and Turkey and in reviewing the bilateral protocols completed last July with the European Union, South Korea, Chinese Taipei, Thailand, and Norway.

With ATAR support, Afghanistan signed bilateral protocols with Norway and Thailand during the reporting period. In December, ATAR assisted MOCI in revising the market access offer on goods for the United States to take into account points agreed upon during a video conference on November 26. ATAR also supported MOCI in preparing a revised offer for Turkey for certain goods.

Afghanistan anticipates the bilateral protocol on goods between Afghanistan and United States will be signed in Kabul during a visit by representatives of the U.S. Trade Representative in January. The Minister of Commerce and Industries will travel to Ankara to sign the bilateral protocol on goods with Turkey upon conclusion of negotiations. MOFA agreed to accredit the Afghan ambassador in Geneva to sign the bilateral protocols on goods with the European Union, Chinese Taipei, and South Korea. ATAR assisted MOCI in December in preparing these bilateral protocols to send to the ambassador via MOFA.

In December, ATAR also assisted MOCI in developing for the WTO a draft consolidated schedule, or list, of specific concessions and commitments for market access for services. This document comprises one of the four elements of Afghanistan's WTO accession package; the other three are the schedule of concessions and commitments on goods, the draft Working Party Report, and the protocol of accession. In the latter half of December, ATAR completed the Dari translation of the consolidated schedule on services for its submission to the Council of Ministers.

During December, ATAR guided MOCI in preparing and sending a request to Japan and Canada for a letter of no-objection to a Most Favored Nation (MFN) exemption for Afghanistan in the area of audio-visual services, which includes motion picture and video production and radio and television services. Last August, the United States and the European Union agreed to grant Afghanistan an exemption to MFN status in audio-visual services. As a result, Afghanistan requires a letter of no-objection to an MFN exemption from Japan and Canada, both of which had signed bilateral protocols and concluded service negotiations with Afghanistan prior to August. An MFN exemption can permit more favorable trade treatment to be given to the country to which the exemption applies than is given to other WTO members.

In support of MOCI's effort to secure a meeting with President Karzai for the WTO Head of the Accession Division and Chairperson of Afghanistan's Working Party to accelerate the adoption of legal reforms, ATAR provided input to MOCI in December on a brief for the President. The summary

highlighted WTO's importance and benefits for Afghanistan, as well as terms of accession and remaining steps, particularly the passage of draft legislation.

Support during ninth WTO ministerial conference

ATAR provided continuous off-site support to an Afghan delegation during its participation in the ninth WTO ministerial conference in Bali, Indonesia, from December 3 through December 6. ATAR's support included verification of the two protocols with Norway and Thailand prior to signing with Afghanistan; review and commenting on speeches and notes and major input to Afghanistan's statements delivered by Deputy Minister of Commerce and Industries Mozammil Shinwari at the plenary session; and legal research concerning a constitutional article related to legislative decrees.

2. Legislative Reforms for WTO Conformity

Afghanistan must bring a number of trade-related laws to international standards to join the WTO. Although concessions are made for least-developed countries such as Afghanistan, WTO members expect full compliance before accession in major legal areas related to trade policy. ATAR is working with GIROA to reform and implement these laws – a lengthy, complex process outlined in the below chart.¹



¹ This chart is a greatly simplified illustration of the intricate and lengthy process of drafting and passing a law. At certain stages, relevant government bodies and private-sector representatives are invited multiple times to offer input on the draft law, or the draft law is circulated to various committees or departments within the sponsoring ministry or MOJ for review and changes. The draft law may be rejected at any stage and returned to the preceding stage for revisions.

Status of Legislation Necessary for WTO Accession and Integration into the Global Trading Community. Laws that ATAR actively supported with GIROA during the Quarter are Highlighted in Light Blue in the Table.			
No.	Legislation	Responsible Authority	Status
1.	Amendments to the 2005 Customs Law	Afghanistan Customs Department (ACD)	The draft is under review at the relevant Ministry of Justice (MOJ) legislative department ² . In December, ATAR assisted MOJ in reviewing articles 1-165 (55 pages) of 208 (75 pages) at MOJ with ACD participation. At the request of the Minister of Justice and to advance the legislation to the MOJ Executive Board ³ , ATAR held 11 roundtables ⁴ in December with MOJ and ACD to explain certain provisions in the law.
2.	Procedure on Customs Valuation (including interpretative notes and software and interest charge valuation)	ACD	The draft has been prepared at ACD and does not need review by MOJ since it is a procedure. Some fine-tuning of article referencing will be required after the draft customs law is adopted. The Minister of Finance will adopt the draft procedure once the draft customs law is adopted.
3.	Procedure on Advance Ruling on Binding Decisions (covering advance origin rulings)	ACD	The draft has been prepared at ACD and does not need review by MOJ since it is a procedure. Some fine-tuning of article referencing will be required after the draft customs law is adopted. The Minister of Finance will adopt the draft procedure once the draft customs law is adopted.
4.	Law on Standards and Technical Regulations	Afghan National Standards Authority (ANSA)	The draft has been submitted to the ANSA management board for final review in December. In December, ATAR met with the management board with the aim of finalizing the draft for submission to MOJ. Seventeen of 32 articles had been reviewed by the end of December.
5.	Law on Plant Protection and Quarantine	Ministry of Agriculture, Irrigation, and Livestock (MAIL)	The draft is at the MOJ Executive Board. In December, ATAR participated in more than ten meetings of the Executive Board, relevant MOJ legislative departments, the MAIL's Plant and Quarantine Department, and with other stakeholders. The Minister of Justice participated in two meetings. By the end of this reporting period, the draft law was ready to be sent to the Council of Minister in January.
6.	Law on Animal Health and Veterinary Public Health	MAIL	The draft is at MAIL and at the final stage before submission to MOJ. In December, ATAR completed an article-by-article review in working groups with the legal advisor to the Minister of Agriculture. All remaining articles have been reviewed and completed. The draft is ready for submission to the Minister of Agriculture and, subject to his signature, will be submitted to MOJ shortly.

² Draft legislation is reviewed at one of seven taqneen, or legislative, departments in the MOJ before submission to the MOJ Executive Board.

³ The MOJ Executive Board is the last step before submission of the draft to the Council of Ministers. The board is usually chaired by the Director General of taqneen and includes the heads of the seven taqneen departments. For critical and high priority legislation, the Minister participates in the work of the MOJ Executive Board. In many cases, officials from line ministries are invited to provide clarifications regarding proposed legislation.

⁴ ATAR defines a roundtable as a meeting comprising at least five persons to explain the purpose and background of the law, familiarize with and improve understanding of WTO requirements and best international practices, share experience of other countries, and answer questions related to the law and provide clarifications on certain provisions. ATAR defines a working group as a meeting where legal and technical discussions/consultations/debates/negotiations are held to review or modify draft legislation.

Status of Legislation Necessary for WTO Accession and Integration into the Global Trading Community. Laws that ATAR actively supported with GIROA during the Quarter are Highlighted in Light Blue in the Table.			
No.	Legislation	Responsible Authority	Status
7.	Law on Food Safety	Ministry of Public Health (MOPH)	The draft is at MOJ awaiting review by the relevant legislative department. MOPH agreed to proceed with the version reviewed by WTO. ATAR, in cooperation with MOPH and consultation with MOJ, assisted in fine-tuning the Dari version of the most recent version of the draft.
8.	Procedure Customs Control of Intellectual Property Rights (Intellectual Property Border Enforcement)	ACD	The draft was ready for the Minister of Finance's signature, but ACD's technical director requested the draft be reviewed by the new team at the ACD legal department and the new head of the ACD tariff section. In December, ATAR held eight meetings at ACD to remove inconsistent modifications made by ACD to the draft and to highlight the need for WTO-compliance. These articles appear to have been resolved.
9.	Amendments to the Law on Supporting the Rights of Inventors and Discoverers of 31 April 2009 (Patents Law)	MOCI	The draft is at MOJ Executive Board for review, but MOJ appears to have inserted unsatisfactory modifications. In December, ATAR drafted a response to these issues with modifications to ensure WTO compliance. After further meetings the questionable articles appear to have been agreed upon. The amended law will be circulated to MOJ ahead of an ATAR meeting to address modifications.
10.	Amendments to the Law on Trade Marks of 1 September 2009	MOCI	The draft is at the Council of Ministers. In December, ATAR followed up with the Council of Ministers' Legislative Committee. The Committee had not yet begun review of this draft.
11.	Amendments to the Law on Supporting the Right of Authors, Composers, Artists, and Researchers of 26 July 2008 (Copyrights Law)	Ministry of Information and Culture (MOIC)	The relevant MOJ legislative department completed its review in December, and the draft was being readied for submission to MOJ Executive Board in January. ATAR provided the MOJ legislative department with clarifications regarding provisions in this draft in December.
12.	Law on Geographical Indications	MOCI	The draft is at MOJ awaiting review by the relevant legislative department.
13.	Law on Industrial Designs	MOCI	The draft is at MOJ awaiting review by the relevant legislative department.
14.	Draft amendments to the Civil Procedure Code (Chapter Three)	MOCI	The draft is at MOJ, which forwarded it to the Supreme Court of Afghanistan for its opinion.
15.	Law on Trade Secrets (undisclosed information)	MOCI	The draft is at MOJ awaiting review by the relevant legislative department.
16.	Law on Topography of Integrated Circuits	MOCI	The draft is at MOJ awaiting review by the relevant legislative department.
17.	Law on Consumer Protection (provisions on Unfair Competition)	MOCI	The relevant MOJ legislative department completed its review, and the draft law is awaiting submission to the MOJ Executive Board.

Status of Legislation Necessary for WTO Accession and Integration into the Global Trading Community. Laws that ATAR actively supported with GIROA during the Quarter are Highlighted in Light Blue in the Table.			
No.	Legislation	Responsible Authority	Status
18.	Law on Plant Variety Protection	MAIL	The draft is not prepared. In December, ATAR met with MAIL Deputy Minister Saleem Kunduzi to reactivate the working group to draft the law. ATAR expects work to resume in January.
19.	Amendments to the Law on Publication and Enforcement of Legislation of 1998	MOCI/MOJ	The draft is at MOJ under review by the relevant legislative department. In December, ATAR held a roundtable with the head of the relevant legislative department and four heads of other legislative departments to discuss the importance of these amendments. The head of the department appeared to understand the legal importance of these transparency amendments. ATAR assisted in drafting a presentation by MOCI Deputy Minister Shinwari to the Economic Committee under the Council of Ministers regarding this matter. The brief addressed the legal necessity for WTO-compliance, benefits to Afghanistan, and possible improvement in Afghanistan's rankings in publications such as the World Bank's "Doing Business Index."
20.	Amendments to the Regulation on Drafting Procedure and Processing of Legal Acts	MOCI/MOJ	The draft is at MOJ. ATAR had amended the transparency provisions in the regulation to comply with WTO. In addition, ATAR assisted Deputy Minister Shinwari in December in drafting a memorandum to the Economic Committee under the Council of Ministers on the need to approve the amendments to meet WTO requirements and comply with Tokyo Mutually Accountability Framework benchmarks.
21.	Law on Foreign Trade in Goods	MOCI	WTO reviewed the draft and had minor comments. ATAR assisted MOCI in drafting a slightly modified version for submission to the WTO. MOJ is reviewing the slightly amended draft.
22.	Regulations on Import and Export Licensing	MOCI	The draft is finalized at MOCI and ready for submission to MOJ.
23.	Procedure on Customs Storage Fees	ACD	The draft is finalized by ACD and is ready for submission to the Minister of Finance for signature.
24.	Regulations of production and importation of medicines and medical equipment of 24 February 2007 (concerning fees)	MOPH	In December, ATAR assisted in preparation of an initial draft to amend the 2007 regulations for conformity with WTO rules.
25.	Value Added Tax	Ministry of Finance (MOF)	The draft is at Parliament.

Status of Legislation Necessary for WTO Accession and Integration into the Global Trading Community. Laws that ATAR actively supported with GIROA during the Quarter are Highlighted in Light Blue in the Table.			
No.	Legislation	Responsible Authority	Status
26.	Income Tax Law (concerning unequal treatment of import tax)	MOF	The draft is at MOF. In December, ATAR met on the law with the ACD legal department, ACD Director General Najib Wardak, and ARD officials. ATAR will meet again with ACD Director General Wardak and ACD Technical Director Gul Pacha and ARD Director General Abdul Rahman Mujahid in January to follow up. The inconsistent treatment of import taxes for different categories of companies is not supported by WTO and, moreover, reforms are expected to raise revenue for MOF. ATAR drafted an amended Article 70 to the Income Tax Law of 2008 to address concerns.
27.	Law on Minerals	Ministry of Mines and Petroleum	The draft is at Parliament.
28.	Law on Safeguards Measures for Domestic Protection	MOCI	The draft is awaiting review by the relevant MOJ legislative department..

3. Sustainable Capacity for the Fulfillment of Key WTO Commitments

Support for procedures and regulations for WTO laws

In December, ATAR supported relevant ministries in the development of regulations and procedures that will help GIROA implement WTO-related laws. ATAR developed model legal provisions for use as a basis for initiating working group discussions to develop regulations and procedures related to the law on food safety and the law on animal health and veterinary public health.

MAIL Deputy Minister Aminullah Haidiri requested ATAR review for the WTO and International Plant Protection Convention (IPPC) compliance draft regulations prepared by MAIL for implementing the draft plant protection and quarantine law. The Deputy Minister sent the draft to ATAR, which started translation from Dari to English. The WTO and IPPC set standards for plant health measures and collaborate on plant protection standards under the WTO's Sanitary and Phytosanitary Agreement.

Assistance in strategy for safeguards unit

In December, ATAR assisted MOCI Deputy Minister Shinwari in completing a strategy paper on the establishment of a safeguards unit within MOCI to administer the safeguards law once adopted. The unit will be in charge of applying the rights and limits of the WTO Safeguards Agreement, which allows protection for domestic industries against sudden import surges in exceptional circumstances.

The paper details administrative and office needs, structure, staff, and job and qualification descriptions for each position. The paper will guide MOCI in determining and requesting the allocation of resources and staff for the unit from the Independent Administrative Reform and Civil Service Commission. Under the safeguards law, the unit will have a role to coordinate with other state bodies, such as ACD, MOFA, MAIL, and a private-sector representative.

Support for customs valuation implementation

In December, ATAR provided technical support and guidance to ACD toward adapting the Tariff and Valuation Management Tool (TARVAL) database to the Automated System of Customs Data (ASYCUDA) World, the latest ASYCUDA version. TARA also provided support in updating and revising the training manual on customs valuation.

TARVAL is a customs valuation database established under TARA to generate compatible information for ASYCUDA with more security, transparent and auditable processes, and stored historical data.

4. Capacity and Sustainability of the Afghan National Standards Authority

ATAR and ANSA planning

ATAR met with ANSA Deputy Director Dr. Khateer in December to follow up on progress in finalizing the draft law on national standards and technical regulations and to discuss ATAR activities related to ANSA.

ANSA said it was interested in working with ATAR to establish the first certification unit in Afghanistan, establishing a standards training center, developing a database of standards and technical regulations, building awareness and capacity related to standards for the private sector, and developing a financial sustainability plan.

In December, ATAR assisted ANSA to review and proofread the Dari version of the Code of Good Practice. WTO accession requires acceptance of the WTO Agreement on Technical Barriers to Trade, which ensures technical regulations, standards, testing, and certification do not create unnecessary obstacles to trade. The agreement prohibits technical requirements created to limit trade, as opposed to technical requirements created for legitimate purposes such as consumer or environmental protection.

That acceptance includes a separate commitment to accept the standards-development practices laid out in the agreement's Annex 3 (Code of good practice for the preparation, adoption and application of standards). The code of good practice calls for the involvement of the private sector and greater transparency. In support of this, ATAR explained the Code of Practice, including accepted international best practices, and shared with the ANSA the translated Dari code. ATAR is now working with ANSA to review the Dari version and will submit the reviewed document to the ANSA management board for its review and approval.

5. Building Capacity and Sustainability of MOCI's WTO Unit for Post-Accession

ATAR continued to provide on-the-job training and technical assistance to the WTO unit at MOCI in supporting the WTO accession process. Please see item 1 above.

6. Building Analytical Capacity

Work plan for Trade Policy Analysis Unit

ATAR began developing a sustainability and training work plan in December to develop the capacity of nine new staff at the MOCI Trade Policy Analysis Unit (TPAU). The staff of the TPAU was recently increased from three to 12 persons, including three women.

In December, ATAR assisted TPAU in compiling updated Afghan-India trade statistics. As part of its efforts, ATAR conducted a roundtable on December 24 with the TPAU on information and trade statistics and relevant sources to enable the staff to collect relevant data for their daily work. Eight TPAU and ATAR staff attended the roundtable.

ATAR met and discussed the preliminary capacity building and sustainability plan with MOCI's Director General of International Trade Mohammad Rahim Momand in December. The aim was to seek feedback from the Director General to develop the plan.

The TPAU, established with TAFA support, will continue to play a key role in a post-accession environment to support WTO multilateral negotiations and deepen and broaden regional integration as well as sound trade policy.

Priorities for government statistics unit

ATAR will continue work started under the TAFA projects to build the capacity, through formal and on-the-job training, of the statistics units of ACD and MAIL.

The TAFA projects had supported ACD's tariff research and statistics unit in collecting, validating, maintaining, and operating databases of tariff schedules, trade by product, and revenue by customs houses. ATAR started to review work done by this unit since the end of TAFA and identify priorities for further capacity building.

In December, ATAR met with the head of the statistics department at MAIL, who was one of the key people involved in preparation for WTO negotiations on the part of MAIL. He was interested in capacity building for the MAIL statistics department with a particular focus on the development of analytical tools and skills to assess competitiveness of the agricultural sector in Afghanistan and recommend improvements for increasing competitiveness.

7. Building Nationwide WTO Awareness

In December, ATAR assisted in drafting a presentation about WTO and specifically the role of MOJ in supporting the process of moving the WTO accession process forward.

ATAR in addition prepared and provided MOCI with a summary about WTO, its benefits for Afghanistan, and remaining challenges for enabling accession, particularly those related to legal reforms. MOCI intends to share this with the President's administration for facilitating the adoption of draft laws and the visit of Afghanistan's WTO Working Party Chairperson and the Head of WTO Accession Division.

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COMPONENT 2: FACILITATE ENHANCED ACCESS TO REGIONAL MARKETS

Central Asia communications plan and introduction

During the quarter, ATAR assisted in the development of a draft ATAR communications plan for its proposed Central Asia operations in partnership with the USAID/Afghanistan mission and taking into account input from the USAID/Central Asian Republics (CAR) mission, USAID/Kyrgyz Republic mission, and USAID country offices in Tajikistan, Turkmenistan, and Uzbekistan.

In addition, ATAR prepared a presentation for introducing ATAR in the four Central Asian countries falling within the scope of ATAR.

I. Afghanistan

Dialogue on the APTTA letter of guarantee

ATAR facilitated discussions between the MOCI and the Ministry of Transport and Civil Aviation regarding the responsible authority for issuing the letter of guarantee for Afghan trucks carrying fresh and dried fruits to access India via Wagah, which lies on the border with India and Pakistan.

In late 2012, Pakistan agreed that Afghan trucks may enter Pakistan and deliver fruit and vegetables to Wagah on the basis of a letter of guarantee issued by GIROA. This decision enables Afghanistan to export its fresh and dried fruit to the lucrative market of India without costly bank guarantees that had originally been required under the Afghanistan Pakistan Transit Trade Agreement.

Protocol of accession of Afghanistan to CBTA Corridor 5

During the reporting period, ATAR learned Afghanistan had re-signed the protocol of accession of Afghanistan to the Cross Border Transport of Persons, Vehicles, and Goods Agreement (CBTA). Afghanistan had signed the agreement in late 2011, but there had been discrepancies between the English and Russian versions and minor changes that required all three contracting parties (Afghanistan, Kyrgyz Republic, and Tajikistan) to sign a new document.

Afghanistan, however, returned to the Kyrgyz Republic a copy of the signed protocol instead of the original. The original must be kept with the MOFA of the Kyrgyz Republic, since it is designated as the repository of the agreement. In addition, the original needs to be returned to the Kyrgyz Republic for the ratification process to be launched.

ATAR conducted a meeting with MOFA on December 29 to discuss two main issues. First, MOFA needs to submit the original copy of the CBTA to the Kyrgyz Republic as soon as possible. Second, MOFA needs to submit the CBTA agreement and accession protocol to the Council of Ministers for approval. The CAREC desk at MOFA submitted the agreement on December 30 to the MOFA's Law and Treaties Department for further processing.

The CBTA aims to facilitate movement of goods, vehicles, and people along Corridor 5 of CAREC, which promotes cooperation and development in Central Asia. The agreement will automatically eliminate a number of barriers, including transshipment for movement of trucks across borders.

ATAR also initiated an analysis for the Kyrgyz Republic as part of the CAR illustrative trade issues matrix. This matrix will include Afghanistan, Pakistan, Tajikistan, Uzbekistan, the Kyrgyz Republic, and Kazakhstan and will cover topics such as trade policies, cross-border issues, bilateral agreements, and trade disputes among the countries.

Launched electronic data interchange

During the reporting period, ATAR began further developing and making necessary revisions to an electronic data interchange node that would allow for better customs-to-customs communications between Afghanistan, Tajikistan, and the Kyrgyz Republic.

The electronic data interchange will allow the transmission of read-only trade/transit information prior to the arrival of the goods to all relevant transshipment, clearance, and entry/exit points in Afghanistan, the Kyrgyz Republic, and Tajikistan. This will prevent tampering with information, facilitate the traceability of goods, and allow effective and timely audits. This will also eliminate discrepancies between the countries' statistical information about transit, import, and export. In addition to increasing cooperation among customs authorities, electronic data interchange reduces corrupt opportunities and smuggling possibilities and provides and supports proper valuation of goods.

2. The Kyrgyz Republic

Introduction of ATAR to the USAID Mission in the Kyrgyz Republic

ATAR's regional manager for CAR was introduced to the USAID/Kyrgyz Republic mission. The regional manager delivered a presentation about planned ATAR activities and operations in Central Asia in general and in the Kyrgyz Republic in particular to a broader audience including Charles Specht (USAID/KR/EDO); Daniyar Ilebaev (USAID/KR/EDO); Bryan Byrne (USAID/CAR/EDO); Zarina Isakova (STATE/KR/POL-ECON); Kristi L. Gruizenga (STATE/KR/POL-ECON); Karen Westergaard (Deloitte/REFORMA); Artyom Zozulinsky (Deloitte/REFORMA); Mark Grubb (Chemonics/LDP); and Nuritdin Dzhamankulov (Chemonics/LDP).

ATAR was well received by the mission in the Kyrgyz Republic. ATAR prepared a note summarizing discussions during the meeting. The ATAR country representative will be mobilized in January or early February.

3. Tajikistan

ATAR introduction and fielding

ATAR's regional manager for Central Asia met with Jenna Tajchman, who was the USAID point of contact under TAFA II for Tajikistan, to discuss ATAR and priorities of the USAID country office. The ATAR regional manager prepared a note summarizing the meeting.

ATAR's country representative for Tajikistan arrived in country on December 18 and was introduced to the USAID/Tajikistan Country Office. ATAR's regional manager delivered a presentation about the planned activities and operations in Central Asia in general and in Tajikistan in particular to an audience including Katie McDonald (USAID/TJ); Erin Ricci (USAID/TJ); Jenna Tajchman, (USAID/TJ); Eric

Salzman, (STATE/TJ/POL-ECON); Myasar Kozieva (STATE/TJ/Drugs and Narcotics); Eric Steven (STATE/Civil Military Support); and Steven Award (STATE/Civil Military Support).

ATAR prepared and submitted an official letter introducing ATAR to the Tajik Government in English and Tajik and submitted it to the USAID Tajikistan country office. USAID will officially submit the letter to ATAR's Tajik government counterparts through a diplomatic note to the Tajik MOFA. Upon receipt of this note by counterparts, USAID Tajikistan and ATAR will arrange official introductory meetings with high-level government officials.

ATAR's country representative met with the executive director of the American Chamber of Commerce in Tajikistan to discuss collaboration with ATAR in building relationships with the private sector of Afghanistan and Tajikistan. ATAR prepared a note summarizing the discussion.

ATAR's country representative met with the deputy chairman of the Tajikistan Chamber of Commerce and Industry to discuss the memorandum of understanding for the proposed Joint Business Council. ATAR prepared a note summarizing the discussion.

ATAR met informally with the head and deputy head of the International Cooperation Unit for the State Customs Service to plan for a meeting between Afghan and Tajik customs officials and to progress discussions on memorandums of understanding and a mutual assistance agreement regarding customs in the two countries.

ATAR also procured a license for the database of Tajik laws and policies and initiated the analysis for the CAR illustrative trade issues matrix.

COMPONENT 3: IMPROVED CUSTOMS ADMINISTRATION

1. Tax Administration

Value-added tax work plan

ATAR's VAT program manager arrived in December and focused on drafting a work plan for the first year of ATAR. ATAR's VAT program manager conducted a series of meetings with relevant stakeholders to obtain their input to the ATAR work plan.

In the first half of December, ATAR met with the Deputy Minister of Finance Gul Maqsood Sabit to discuss project priorities in technical areas as agreed between USAID and ATAR; with the USAID trade team to discuss steps taken to eliminate duplication of work between USAID and DFID; and with the DFID-sponsored TAP team to discuss areas for collaboration. ATAR also reviewed the TAP VAT implementation plan, the final VAT stakeholder management plan, the TAP VAT implementation risk management plans and supporting matrix, TAP VAT campaign plan, and the TAP VAT compliance strategy document.

After meeting with the TAP team, ATAR issued a summary of possible work areas to TAP that were critical to informing the final VAT work plan under the project. However, ATAR met with ARD Director General Mujahid in late December, and he stated an expectation to review ATAR project financing and would not agree to have ATAR liaison with TAP or develop the ATAR VAT work plan until his condition was met. He said he will present ATAR with an outline of his specific requirements, but he did not commit to a timeframe. Director General Mujahid directed ATAR to have no further contact with TAP until he gives permission. ATAR's VAT manager was unable to complete the VAT work plan without Director General Mujahid's support.

2. Customs Reform

Due to visa delays described above, the ATAR customs reform manager also arrived in mid-December. He and his local team reviewed TAFA deliverables and supporting documents and began developing a draft work plan for the customs section.

The ATAR customs reform team joined the VAT team in its meeting, mentioned above, with the Deputy Minister of Finance Sabit. ATAR also met with ACD Director General Najib to introduce the ATAR team and discuss priorities for the first year of ATAR. ATAR held a series of meetings with the Director General to develop the work plan throughout December, and he welcomed the support of ATAR.

ATAR also met with the United Nations Office for Project Services (UNOPS) customs project, funded by the World Bank, and discussed collaboration and support. ATAR and UNOPS agreed on weekly meetings to coordinate activity. ATAR also met with various ACD directors to determine priority activities in each area.

ATAR INDICATOR TABLE

No.	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Year 1 Achievement (Q1)	Year 1 Target	Life-of-Project Target	Notes
Project Purpose: Business climate strengthened to enable private investment, enhanced trade, job creation, and fiscal sustainability through the critical transition period and continuing into the Transformational Decade										
1	Growth in trade volume (import, exports, transit) overall/per border crossing	Outcome/Impact Required by Prime Contract	Country, per border crossing; commodity group; month, quarter	GIROA	Annual	\$9.3 billion in 1391 excluding transit (Central Statistics Organization (CSO) report)	Will be reported by end of 1392	Tracking only	Tracking only	Trade volume is defined as the licit trade value of goods and services brought into Afghanistan (import), the value of Afghanistan goods and services sold in the foreign country or countries (export) and value of goods imported to Afghanistan from a country and exported to another country (transit) Calculation: Total value of export, import, and transit in a year
2	Value of gross domestic product (GDP)	Outcome/Impact USAID requested indicator	By sector	CSO, World Bank Report	Annual	\$ 21 billion in 1391 (CSO report)	Will be reported by end of 1392	Tracking only	Tracking only	Value of GDP represents the total value of all goods and services produced in Afghanistan in a year. Note: Based on Central Statistics Office report, the total value of Afghanistan GDP in 1391 was Afs 1,085,766 million = USD 21 billion. Disaggregation by Sector: <ul style="list-style-type: none"> • Services = US\$ 10.5 billion • Agriculture = US\$ 5.3 billion • Industry = US\$ 4.3 billion • Construction = US\$ 1.5 billion • Mines and Quarry = US\$ 195 million
3	Ratio of foreign trade in GDP	Outcome/Impact USAID requested indicator	By sector, import and export	CSO, World Bank Report	Annual	Import 39%, Export 6% in 2012 (World Bank report)	Will be reported by end of 1392	Tracking only	Tracking only	This indicator captures the percentage of foreign trade (import and export) in the GDP of Afghanistan.
4	Value of goods imported to the United States taking advantage of Generalized System of Preferences (GSP)	Outcome/Impact Required by Prime Contract	Commodity group; month, quarter	ACD and CSO	Annual	\$123,500	Will be reported by end of 1392	Tracking only	Tracking only	The U.S. GSP is a program designed to promote economic growth in the developing world by providing preferential duty-free entry for up to 5,000 products when imported from one of 126 designated beneficiary countries including Afghanistan.

No.	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Year 1 Achievement (Q1)	Year 1 Target	Life-of-Project Target	Notes
5	Value of exports	Outcome/Impact	Product, countries	GIROA	Annual	ACD = \$307 million in 1391 CSO = \$414.5 million in 1391	Will be reported by end of 1392	Tracking only	Tracking only	Value of export here refers to the total value of Afghan licit goods and services sold in the foreign country or countries. Note: based on CSO report, the total value of Afghanistan export in 1391 (2012 – 2013) was USD 414.5 million. This composed of dried fruit 27%, Carpet 11%, medicine botanies 6%, Skin 4%, fresh fruit 3% and others 38%
6	Value of imports	Outcome/Impact	Product, countries	GIROA	Annual	ACD = \$7.464 billion in 1391 CSO = \$8.9 billion in 1391	Will be reported by end of 1392	Tracking only	Tracking only	Value of import refers to the total value goods or services brought into Afghanistan from another country. Data covers dutiable import only. Note: Based on CSO trade statistic report, the total value of import in 1391 (2012 – 2013) was USD 8.9 billion. The total value of import in 1391 was composed of Petroleum 20%, Machinery and Equipment 15%, Metals 11% and others 54%.
7	Change in World Bank's Doing Business ranking, trading across borders indicator	Outcome/Impact Required by Prime Contract	None	World Bank Doing Business Annual Report	Annual	184 (Doing Business Annual Report 2014)	184 (Doing Business Annual Report 2014)	Tracking only	Tracking only	The World Bank Doing Business report presents quantitative indicators on business regulations and the protection of property rights compared across 189 economies over time. Afghanistan was ranked 179 out 183 in 2012 and 178 out of 185 countries in 2013. According to the 2014 report, Afghanistan is ranked 184 out of 189 countries

No.	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Year 1 Achievement (Q1)	Year 1 Target	Life-of-Project Target	Notes
8	Ease of doing business in Afghanistan (World Bank Doing Business report)	Outcome/Impact USAID requested indicator	By sector	World Bank Doing Business Annual Report	Annual	164 (Doing Business Annual Report 2014)	164 (Doing Business Annual Report 2014)	Tracking only	Tracking only	The World Bank Doing Business report sheds light on how easy or difficult it is for a local entrepreneur to open and run a small to medium-size business when complying with relevant regulations. Based on the 2014 report, Afghanistan is ranked 164 out of 189 countries.
PIR 1: Capacity of Afghan government and private sector to formulate and implement liberal policy framework for trade and investment strengthened										
9	Number of USG-supported training events held that related to improving the trade and investment environment, number of participants, and person days of training	Operational indicator Output Required by Prime Contract	Gender, Topic	Project training records	Monthly	0	1	20 trainings/ 200 participants	80 trainings/ 800 participants	Training is defined as an ATAR-led training activity related to improving the trade environment. "Training" refers to an activity that takes place in Afghanistan or another country that is intended for providing knowledge on a specific topic and to build technical capacity and skills. This indicator is reported by training type, target group, gender, and person days of training.
PIR 1.1: WTO accession process finalized										
10	Number of WTO-related legal acts advanced through the legislative process with ATAR support	Output	Ministry partner	Project records and MOCI	Quarterly	0	0	12	30	Bringing the legal framework in line with the WTO agreements is a pre-condition for becoming a WTO member. This indicator will capture progress made in the legislative process when draft laws (including amendments) and sublegal acts (regulations, orders) move from one stage to another. These stages are: 1) Sponsoring ministry; 2) MOJ; 3) Council of Ministers; and 4) Parliament
11	Number of WTO-related institutional reforms supported by ATAR	Outcome/Impact	Ministry partner	Project records	Quarterly	0	1	4	10	Acceding to the WTO requires the establishment of new institutions related to customs, trade, and other areas. This indicator captures institutional reforms supported by ATAR in Afghanistan w.

No.	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Year 1 Achievement (Q1)	Year 1 Target	Life-of-Project Target	Notes
12	Number of draft legislative items (including regulations, procedures, and amendments) prepared by the Working Group at Ministerial level with ATAR support	Output	Ministry partner	Project records and MOCI	Quarterly	0	0	4	12	This indicator captures the number of new draft laws and sublegal acts prepared by the working group at the Ministerial level with ATAR support. This mainly refers to the first draft finalized at the Ministerial level by working groups.
PIR 1.2: WTO implementation process developed and executed										
13	Number of public events held to discuss trade and business policy matters with stakeholders, the public, and the private sector	Output Required by Prime Contract	Province, gender of participants	Project records	Monthly	0	0	12	60	A public event is defined as a major ATAR-led and/or supported trade-related activity such as conference, seminar, coordination meeting, working group meeting, trade-related fair, roundtable session, consultative process, trade forum, presentations to university students, trade campaign, presentation to Parliament or Ministries, and other key trade gathering.
14	Number of consultative processes with private sector as a result of U.S. government assistance	Operational Indicator Output Required by Prime Contract	Province, gender of participants	Project records	Quarterly	0	0	6	24	Negotiating and implementing agreements requires intense coordination and cooperation among ministries and state bodies as well as with the private sector and civil society. Working groups for consultations on developing trade policies, negotiation strategies, trade procedures, and draft legislation will be captured under this indicator.

No.	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Year 1 Achievement (Q1)	Year 1 Target	Life-of-Project Target	Notes
PIR 1.3: Private sector awareness of new opportunities for trade-related business development increased										
15	Number of awareness events held targeting the private sector	Operational Indicator Output	Gender of participants	Project records	Monthly	0	0	8	50	The private sector is the main beneficiary of WTO accession. It is critical to educate the private sector about opportunities resulting from WTO accession in order to enable necessary adjustments. ATAR will assist MOCI in undertaking a nationwide awareness campaign, including delivery of WTO seminars in key regions targeting the private sector, particularly small to medium enterprises and women-owned businesses
16	Number of awareness documents prepared to educate about WTO and regional integration	Operational Indicator Output	Province	Project records	Quarterly	0	1	4	10	This indicator will capture any type of awareness material developed with ATAR support in educating the private sector on WTO and other trade opportunities.
17	Number of firms that have obtained quality certification in meeting minimum standards as a result of ATAR assistance	Outcome/Impact Requested by USAID	Type of firm	ANSA	Annual	0	0	0	40 (to be achieved in final year)	Certification is when a third party gives written assurance that a product, service, process, personnel, organization, or system conforms to specific standards requirements. During the first three years, ATAR will assist ANSA to establish a certification unit for the first time in Afghanistan and build the capacity of this unit. This unit will be accredited by an external accreditation body and qualified to issue internationally accepted certification.

PIR 1.4: Understanding and support for benefits of WTO and regional and bilateral trade agreements increased										
18	Change in public perception toward trade	Outcome/Impact Required by Prime Contract	Province, gender, age	Perception survey	Annual	To be determined (TBD) from perception survey		10% increase	40% increase	Increased understanding and support of the benefits of regional and bilateral trade agreements and WTO accession are vital. ATAR will conduct a survey to determine knowledge and perceptions among the general population and stakeholders. The survey will be conducted at the start of the project to collect baseline information and annually thereafter targeting the same group
PIR 2: Regional and global integration enhanced										
19	Number of launched or signed initiatives on regional integration	Output	Type of initiative	Project records and MOCI	Quarterly	0	0	3	8	Afghanistan is interested in deepening and expanding regional integration through new and existing agreements on trade, investment, economic cooperation, transport, and transit. This indicator will capture initiatives such as agreements, memorandums of understanding, and protocols launched or signed with ATAR support.
20	Number of firms receiving USG capacity building assistance to export	Output USAID requested indicator	Type of firm/ participants/gender	Project Record and Export Promotion Agency of Afghanistan (EPPA)	Monthly	0	0	80	400	Capacity building assistance refers to market research, short-term technical assistance to government and/or private-sector beneficiaries, study tours and international trade fairs/exhibitions, exporter training sessions, networking and training supported by ATAR.

21	Number of laden vehicles crossing Torqundi, Hairatan, Sher Kan Bandar, Torkham, and Weish in each direction	Outcome/Impact Required by Prime Contract	Per direction	ACD	Annual	(As of 2012) Hairatan: 66,851 Imports 2,734 Exports Torqundi: Imports: 43,209 Exports 542 Sher Khan Bandar: Imports 4,050 Exports 16,199 Torkham: Imports 175, 770 Exports: 32,451 Weish: Imports 35,166 Exports 2,167	Will be reported by end of 1392	Tracking only	Tracking only	This indicator refers to the number of declarations and number of vehicles paying custom duties.
PIR 3: Revenue generation for fiscal sustainability strengthened through reforms and anti-corruption measures in customs and taxation										
22	Growth in customs revenue (overall and per border crossing)	Outcome/Impact Required by Prime Contract	Per border crossing	ACD	Annual	\$894 million in 1391	\$ 640.5 million in first nine months of 1392	Tracking only	Tracking only	A customs duty and tax refers to tax on the importation and exportation of goods collected by custom houses. Note: based on MoF Performance Report, the customs revenue for the first nine months of 1392 is Afs 36.1 billion = US\$ 640.5 million
23	Percent increase in tax collection	Outcome/Impact USIAD requested indicator	Revenue source	ACD	Annual	TBD	Will be reported by end of 1392	TBD	TBD	This indicator captures the percentage increase in volume of tax collection in Afghanistan.
24	Percentage of government revenue collection in GDP (excluding foreign grants)	Outcome/Impact Required by Prime Contract	Revenue source	ACD and project records	Annual	5.5% in 1390	Will be reported by end of 1392	Tracking only	Tracking only	Revenue is cash receipts from taxes, social contributions, and other revenue such as fines, fees, rent, and income from property or sales.

25	Non-tax revenue increase	Outcome/Impact Required by Prime Contract	Revenue source	ACD	Annual	TBD	Will be reported by end of 1392	Tracking only	Tracking only	The revenue obtained by the government from sources other than tax is called non-tax revenue. The major sources of non-tax revenue are fees, fines and penalties, surplus from public enterprises, grants, etc.
26	Change in public perceptions toward VAT	Outcome/Impact Required by Prime Contract	Gender, region, age	Survey	Annual	TBD in perception Survey	TBD in perception Survey	15% increase	40% increase	ATAR will work with a grantee or subcontractor to develop a VAT campaign for outreach on media issues, testing messages with stakeholders, including business organizations, civil society, and taxpayers, particularly women-owned businesses. ATAR will conduct a perception survey at the start of the project to determine public perception on VAT.
27	Number of permanent professional positions allocated for women within ACD	Outcome/Impact	Gender, age, education level	ACD	Quarterly	77	0	100	175	In line with the Tokyo Mutual Accountability Framework and the National Action Plan for Women, ATAR will support ACD in meeting benchmarks related to increasing female participation in elected and appointed bodies at all levels of governance to 30 percent by 2020.
28	Number of female interns completing a six-month internship in ACD	Outcome/Impact	Gender, age, education level	ACD	Quarterly	20	0	40	100	ATAR will support ACD to implement an internship program at ACD for university women. The internships will be headquarter-based rotational placements for a period of six months.
29	Person hours of training completed in trade and investment capacity building supported by USG assistance	Output USAID requested indicator	Province, Gender	Project records	Quarterly	0	0	TBD	TBD	This indicator captures person hours of training. Person hour refers to number of hours of training completed by an individual. If training is for two hours and 20 people participate, the person hours of training will be 40.

PIR 3.1. Capacity of the Afghan Revenue Department to generate revenue through VAT implementation enhanced										
30	Percent of audit cases selected using risk-based criteria	Outcome/Impact Required by Prime Contract	Province	Large Taxpayer Office (LTO)/ACD records	Quarterly	0	0	TBD	TBD	This indicator refers to the proportion of audit cases started in a year that have been selected using prescribed risk-based selection criteria (for example, declared outputs less than declared inputs/ input tax greater than output tax/ tax performance ratio lower than trade sector average)
31	Number of VAT audits conducted	Outcome/Impact Required by Prime Contract	Province	LTO records	Quarterly	0	0	TBD	TBD	Under this indicator, the project will report the number of VAT audits started and finalized in the year.
32	Share of cases yielding additional assessment (revenue) to cases selected for audit	Outcome/Impact Required by Prime Contract	Province	LTO records	Quarterly	0	0	TBD	TBD	This indicator captures the proportion of cases selected for audit that have yielded additional revenue assessments (in other words, the auditor has uncovered errors or under-declarations that produce extra tax).
33	Percentage of amount assessed through tax audit which is actually collected	Outcome/Impact Required by Prime Contract	Province	LTO records	Quarterly	0	0	TBD	TBD	This indicator measures the actual amount of “extra” assessed tax that is collected in the year. It implies the efficiency of debt management procedures is being measured along with the accuracy/sustainability of assessments raised during the audit.
34	Number of U.S. government supported training events related to implementation of the VAT	Operational Plan Indicator/Output Required by Prime Contract	Province	Project records	Quarterly	0	0	TBD	TBD	Training refers to an activity that takes place in Afghanistan or another country that is intended for providing knowledge on VAT.
35	Number of tax officers trained	Output Required by Prime Contract	Gender	Project records	Quarterly	0	0	TBD	TBD	This indicator will capture the number of tax officers trained on VAT or other tax related topics.
36	Ratio of VAT revenue to total tax revenue	Outcome/Impact Required by Prime Contract	Province	LTO records	Annual	0	0	Tracking only	Tracking only	This indicator captures the percent of VAT generated revenue to total tax revenue

PIR 3.2: Customs procedures to increase transparency, efficiency, and uniformity in the collection of revenue, performance of core functions, and facilitation of trade improved										
37	Average Customs processing time (overall and per border crossing)	Outcome/Impact Required by Prime Contract	Province	ACD	Annual	Herat: 6 hours 17 minutes Hairatan: 3hrs 43 minutes Jalalabad 4 hours 18 minutes Shir Khan Bandar: 2 hours 13 minutes Aquina: 3 hours 21 minutes	Will be reported next quarter	TBD based on number of steps removed	TBD based on number of steps removed	This indicator refers to number of hours required for the custom processing of goods (both import and export at key borders.
38	Number of documents/procedures required to import and export	Outcome/Impact Required by Prime Contract	Import, export	The current source is the World Bank Doing Business report. ACD has not yet confirmed numbers	Annual	10, import 10, export	10, import 10, export	TBD	TBD	The number of documents required for import and export is a key sub-indicator of “Trade across border” indicator of World Bank’s Doing Business report. Based on the 2014 report, Afghanistan requires 10 documents for import and 10 for export while the average document required for South Asia is 8 for import and 10 for export.
39	Time to export and import	Outcome/Impact USAID requested Indicator	Import, export	The current source is World Bank’s Doing Business report. ACD has not yet confirmed numbers	Annual	85, import, 81, export (World Bank Doing Busin-ess report 2014)	85, import, 81, export (World Bank Doing Busin-ess report 2014)	TBD	TBD	“Time to export and import” is also a key sub-indicator of “Trade across border” indicator of World Bank’s Doing Business report and has a direct effect on Afghanistan ranking. Based on 2014 report, Afghanistan requires 85 days for import and 81 days for export while the average time required for South Asia is 33 days for import and 34 days for export.